

**COMMISSION CONFERENCE WORKSHOP    12:00 P.M.    FEBRUARY 21, 2005**

Present:            Mayor Naugle  
                     Commissioners Hutchinson, Trantalis, Moore and Vice Mayor Teel

Also Present:    City Manager – George Gretsas  
                     City Attorney - Harry Stewart  
                     City Clerk       - Jonda Joseph  
                     Sergeant At Arms – Sergeant Patrick Hart and Frank Sebregandio

**Discussion of Legislative Issues with Senator Steven A. Geller, Florida Senate, District 31**

Senator Steven Geller said he represents most of the City of Fort Lauderdale, and geographically his eastern boundary was from US 1 and goes to Broward on the north, except for a small area primarily an African-American District which was Senator Dawson's. He continued to state that he represents about 10 cities which include Hallandale, Hollywood, Dania, Davie, Sunrise, Plantation, Fort Lauderdale, Cooper City, Miramar, Pembroke Pines, and some unincorporated areas. He said that Jeff Atwater represents the Beach.

Senator Geller urged individuals to call him regarding any issues that arise. He said his home number is 954-443-1787, his pager is 1-800-391-3783, and the number at his Senate office is 850-487-5097. He said that he normally backs the cities in their issues, excluding labor ones, and does not get involved in inter-city disagreements. He said that counties normally win their fights against the cities because they apply more resources.

Senator Geller further said that he is the incoming Senate Democratic Leader, and there is an ongoing shift of power. He said that he serves on the following committees: Regulated industries, Comprehensive Planning Committee, Military Veterans and Affairs, Finance and Tax Committee, Judiciary Committee, Banking and Insurance Committee, and the Rules Committee.

Senator Geller said that some issues he is going to work on this year are hurricane matters, including insurance. Commissioner Trantalis said that they feel the current level of service is inadequate. Senator Geller said that Senator Ron Kline filed a bill last year calling for a study to strengthen the power grid which did not get very far, but he feels it will this year. Some individuals are advocating underground utility lines, but those communities still lose power, but dry hurricanes permit the utilities to be restored quicker. There is a huge cost in under grounding utilities and the effectiveness has not yet been totally researched.

Commissioner Trantalis said that in reality everything in life is connected to electricity, and there needs to be a focus on how to service the City as a public institution and not a private enterprise.

Senator Geller said his point is not that they should or should not under ground the utilities, but he did not want to take action on something that is a multi-billion dollar expenditure before all data is gathered. He hoped that Senator Kline's bill passes this year which would then be signed by June 1<sup>st</sup> calling for a report to be completed by November or December of 2006, and have the matter ready for legislation for 2007. He

said he is concerned about individuals over-reacting. He said that he is sponsoring a bill saying that all new gas stations or substantial retrofits have generators, and by 2009 at least one-third to one-half of the stations would have generators. He feels this is a compromise bill that would pass. He said that he is not sure how many gas stations there are in the state because it depends on how they are categorized in order to be counted.

Senator Geller said that he gets a majority of complaints in connection with homeowners insurance. He said this is not a partisan issue. He explained that the State generates money when hurricanes hit because of sales tax from items being purchased by residents. It is expected that \$600,000 will be generated from the two hurricanes which hit this year, and he feels such "windfall monies" should go to pay for assessments caused by the hurricane and then any remaining funds should be placed into the hurricane catastrophe fund in order to keep down the cost of insurance. Governor Bush disagrees on this issue. There is a tremendous problem which could have a devastating impact on this City in relation to amending Citizens. Two issues would be involved, and one of those is permitting Citizen Insurance only on homesteaded properties which would be devastating to the market and the City. The second thing they want to do is to only provide insurance on homes with the value of \$1 Million or less which sounds reasonable, but could result in a large number of homes not being able to be insured.

Commissioner Trantalis said many homes that are insured have been precluded from collecting due to high deductibles.

Senator Geller further said the insurance company is attempting to write less concentration of their policies here and if the deductibles are reduced, then they are dramatically reducing their exposure.

Commissioner Trantalis said that there has to be a way to help homeowners and asked if insurance companies could set up an actuarial table that would be protected.

Senator Geller said the insurance industry does modeling whereby they determine what a certain category storm would cost, and then factor in all possibilities. He said the State of Florida is trying to develop their own model and had preliminary studies done before this year's hurricane season began and should be functional by next year as to preferable rates to be charged. He said the only way to have affordable and available insurance is to have a national natural disaster pool. Kevin McCarty, State Insurance Commissioner, is the Chairman of the National Association of Insurance Commissioners Natural Disaster Committee. Senator Geller said that he is the Chairman of the National Conference of Insurance Legislators Natural Disaster Committee. They are both pushing for a natural disaster pool. The important issue that this City Commission should be aware of is that there are proposals in Tallahassee filed by the Chair of the House Insurance Committee that would say Citizens would limit insurance to homesteaded properties, and limit insurance to properties valued at \$1 Million or less. There is a difference in insuring the value of the property and insuring the home. The proposals are not saying that policies have to be for \$1 Million or less, but that they could only be for homes valued at \$1 Million or less which is a very different issue that would have many homes unable to obtain insurance. He said he is very opposed to this and the City's lobbyists should address this issue.

Senator Geller explained that realtors typically do not show up for insurance meetings. Commissioners normally attend growth management and conference planning committee meetings. He said this is a very important issue.

Senator Geller further said that this all affects individuals who have insurance, but many people in New Orleans did not have insurance and that is a separate issue that has not been dealt with. An insurance committee cannot discuss providing insurance for people who did not have it. They are dealing with social policies and what should the government do in such situations.

Commissioner Moore said he would like to discuss the cap placed on the value of property for insurance. He said the individual market that owns property valued over \$1 Million would probably have companies design a product for their needs. More people could be insured because the risk would be lessened for the company. He felt the Senator's committee should research this issue. He feels this would be a lucrative market and someone would want to capture it. He asked that they get an indication as to what impact this could have on the City.

Commissioner Trantalis said that such information could be beneficial, but if such a population is removed from the general insurance pool that is covered, a higher risk is being created.

Senator Geller said one of the issues is that the price would go up, not due to there being a higher risk, but because the only people writing such insurance policies would be the Surplus Line Companies, such as Lloyds of London, who are insurers' last resorts and prices and policies are not regulated. He said that this is clearly an issue that this City Commission is not in agreement about, and request that the Commission notify the League of Cities to discuss the issue, and whatever they deem appropriate have their lobbyists aware of the issue. Whatever position they decide to take on the matter should be communicated to him and the other Senators.

Mayor Naugle said that he hoped all of the Commissioners would be against limiting insurance only for homesteaded properties. He asked that this item be placed on the Commission's Conference Agenda for the March 7, 2006 meeting.

Senator Geller said that he has fought with the County regarding the CRA issue, and it has been his position that if the County and cities ever reach an agreement, he would be happy to be the leading advocate for them in Tallahassee. Absent an agreement, he would not support any attempt by the County to reign in any type of CRA legislation. He said he gets confused when the cities disagree with each other.

Commissioner Moore said he represents the Florida League of Cities in connection with the CRA, and they are still maintaining the same position held last session. The County is trying to find a city to buy which has been done in the past making it difficult to keep things together.

Senator Geller said he did not support any changes at all as long as the cities are opposed to them.

Senator Geller said he wanted to discuss Kilo vs. New London because he felt the cities and the County had done a terrible job in this matter. He said the cities did not want

anything done until they did a study which would be done by 2007, which is a foolish position because meantime legislation would be passed. He believes there should be a compromise. He said some people are attempting to outlaw takings for economic development in their entirety, and some are saying it can be done but the definition of slum and blight should be tightened up. Some are also saying that each individual properties would have to meet the definition of slum and blight which would not work. The alternative he suggests is that the City should define geographic boundaries and take a percentage of the properties, and then use eminent domain regarding the balance of the properties. He feels the reasonable compromise would be to take 85% to 95% of the land within the boundaries, then eminent domain could be used in regard to the remaining properties. So far the cities and the County were fighting everything that was not a productive strategy.

Senator Geller said that he filed a large number of budget requests on the City's behalf which are listed in the materials. He said that he is not on the appropriations committee, but is on the committee that raises the funds.

Senator Geller said that he received phone calls from various mayors in connection with the power plant bill that was very controversial and would take all control from the cities. He supported the cities on this matter, and a compromise was reached with the utilities. Power substations would have been permitted anywhere and the cities would not have a say as to their locations.

Commissioner Moore asked for the City to look into this issue.

Senator Geller said he could not presently comment on the communications services tax because the problem is that by the time it gets to him, the cities and counties have already meet with the utilities and typically reached an agreement. Therefore, he asked the City to stay in touch with their lobbyists and to contact him before votes are taken.

Senator Geller said that in regard to local cable TV franchising there is a huge war taking place, and the issue is that instead of negotiating cable franchises on a city-by-city basis, they would negotiate a master franchise with the state.

Mayor Naugle said that he felt this would be less of problem due to individuals leaving the local cable companies.

Senator Geller said the cable individuals point out that if this is permitted, they would get cherry picking, and telecom says that if there is a fair master contract it would reduce costs and be done quicker. He said he is not convinced yet by either party.

Senator Geller said that he has filed legislation to appeal the capping of affordable housing funds which last year was HB 8889. The Governor is adamantly opposed to the legislation and feels there has been a windfall in property taxes and the money is not needed there, but needed for general revenue. Senator Geller said further that he feels the Governor has been taking too much money for tax cuts. If affordable housing funds are cut, along with a cut in funds for the arts and purchase of environmentally sensitive lands, and trust fund cuts, he feels there is a huge housing crisis and does not see how they could not justify putting the monies back in from the Sadowsky law. He said that he and the Governor have fundamental disagreements such as whether there is a tax surplus or a services deficit. He said further that his view is that there is an infrastructure

deficit and Florida is 50<sup>th</sup> in the nation in the amount of per capita spending of state dollars. The reason there have been tax breaks is due to the shifting of responsibility on to local governments.

Senator Geller said that the funding for the baseball stadium is due to the competition going on from the Miami Marlins who is requesting \$60 Million to retain the professional baseball team. The City of Fort Lauderdale is requesting \$30 Million and they do not have a professional team. Commissioner Trantalis said they are requesting only \$15 Million. Vice Mayor Teel said the Baltimore Orioles are kicking in the other \$15 Million. Mayor Naugle said it is a sales tax rebate, and they are only requesting what other cities have received. He said it would be easier to obtain the funds once the Marlins are gone, if they leave.

Mayor Naugle asked overall what the climate would be for the year.

Senator Geller said a lot of time is being spent on hurricanes, but he is concerned about what the climate would be for the year. In the past, the Senate has been the bi-partisan and moderate chamber, and they are seeing signs of the situation changing which is causing alarm. A letter was sent attacking liberal judges and left-wing liberals in the Legislature and individuals had been admonished in regard to the matter. Recently, there has been a coup attempt where some of the more conservative members of the Senate are trying to overthrow things. Some individuals are running for higher offices, and therefore, not many controversial issues will be addressed.

Mayor Naugle asked if the Senator felt a referendum would be placed on the ballot in regard to affordable housing. Senator Geller said he did not think that would occur because this issue is complicated, and years ago he had opposed it at the request of the cities. Many people do not understand that the Save Our Homes amendment did not reduce taxes, but only transferred the burden. Mayor Naugle said he did not think there should be a cap because individuals in this City would be affected. Senator Geller said further that he preferred a cap on the amount of affordability exemption that would be taken. Burdens are being placed on first time homebuyers and renters and individuals are becoming trapped in their homes. He is looking for a solution that would not make the matter worse. He said that this year he is willing to consider affordability, but he wants to make sure these individuals are not being put in worse positions. He said that he is not in support of state-wide issues in regard to affordability because counties could become bankrupt.

Senator Geller further said that another option is to do it on a local option basis county-by-county.

Commissioner Moore asked about multiple school boards. Senator Geller said in the past he had been opposed to them because he felt they would end up with more affluent boards. Assurances would have to be put in place so minority districts would not be created. Possibly this could be done on a city-by-city basis. He said he is not convinced it works, but he is not totally opposed at this time and is willing to discuss the issue.

Commissioner Moore asked for the lobbyists to research the issue and see how the dialogue is progressing.

Commissioner Moore said it is his understanding that someone is proposing there not be any refrigerated alcoholic beverages sold in gas stations. Senator Geller said that he is not aware of any such legislation and is presently serving on the Regulated Industries Committee. He did not feel such legislation would progress on that issue.

The City Attorney said there is a proposed bill requiring a cost benefit analysis before cities or counties could install sewer systems replacing septic tanks. He asked about the genesis of such a bill. Senator Geller said he is not aware of any bill, but he would be happy to check out the matter. The City Attorney further said that such a bill would affect the City's WaterWorks 2011 program.

Senator Geller further said that if a representative filed a piece of legislation or was discussing the possibility of such legislation, it did not mean that a bill would get passed. He urged the Commission to call him regarding any issue.

Senator Geller proceeded to introduce Gale Schwartz, his legislative assistant, who had been with him for the last 18 years.

Mayor Naugle thanked the Senator for his time.

There being no other items for discussion, the meeting ended at 1:32 p.m.